

# Chapter-14

## Account Current

Account current is a statement in the form of ledger account showing the transactions between two parties together with the interest due on payable.

### Methods of Account Current

Interest on Individual Transaction Method

Product of Individual Transaction Method

Product of Balance Method.

Forward method      Epoque method

#### Debtors Alc.

To bal. bld.	xx.	By sales return	xx
To sales Alc.	xx	By cash alc	xx
		By bank alc	xx
		By bad debts	xx
		By discount	xx
		By bal. cld.	xx

#### Creditors Alc.

To purchase return	xx	By bal. bld.	xx
To cash / bank	xx	By purchases	xx
To discount received	xx		
To bal. cld.	xx		

⇒ Purchases

To creditors

⇒ Creditors

To cash / bank

⇒ Debtors

To sales

⇒ Debtors

To cash / bank

In Account current with  
Year end 31st March

Date	Particulars	Due Date	No of days/month	Int. Rs	Date	Particulars	Due date	No of days/month	Int. Rs
	11421 To cash.		3 m	75	5000				
					11321	By cash A/c		1 month 25	5000
						By int. A/c			50

Int @  
6% PA

Q.1.

In the books of Nath Brothers

Shyam in Account current with Nath Brothers  
(upto 1st Feb. Int. @ 6% p.a.)

① Interest method.

Date	Particulars	Due Date	Days	Int.	Am't	Date	Particulars	Due Date	Days	Int.	Am't
16/09/15	To sales A/c	1/10/15	123	4.04	200						
						1/10/15	By cash a/c		123	1.82	90
1/11/15	To cash a/c		92	5.00	330	2/10/15	By purchases	1/10/15	62	5.1	500
1/12/15	To cash a/c		62	3.36	330						
						5/12/15	By purchases	1/12/16	31	2.55	500
						10/12/15	By purchases	1/1/16	31	1.02	200
1/1/16	To cash a/c		30	3.06	600						
9/1/16	To sales a/c	1/2/16	0	-	20	1/2/16	By bal. c/d.				194.97
1/2/16	To int. a/c				4.97						

(2) Product method

Date	Particulars	Due Date	Days	Product Amt	Date	Particulars	Due Date	Nb. of Days	Product Amt
16/09/15	To sales a/c	1/10/15	123	24600 200					
					1/10/15	By cash a/c	1/10/15	223	11070 90
					21/10/15	By purchase	1/12/15	62	31000 500
1/11/15	To cash a/c	1/11/15	92	30360 330					
1/12/15	To cash a/c	1/12/15	62	20460 330					
					5/12/15	By purchases	1/1/16	31	15500 500
					20/12/15	By purchases	1/1/16	31	6200 200
1/1/16	To cash a/c	1/1/16	31	18600 600					
9/1/16	To sales a/c	1/2/16	0	0 20					
					1/2/16	By bal. of prod.			30250
1/2/16	To int A/c.			4.97	1/2/16	By bal. c/d.			294.97

$$\begin{aligned}
 \text{Interest} &= \text{Bal. of product} \times \frac{\text{Int}}{100} \times \frac{1}{365} \\
 &= 30250 \times 6\% \times \frac{1}{365} \\
 &= 4.97
 \end{aligned}$$

Q.13

Mrs. Sunil in account current with Mr. Raju  
 (Interest upto 31st October 2020, @ 12% pa)

Date	Particulars	No. of Days	Amount	Product	Date	Particulars	No. of days	Amount	Product
1/7/20	To bal. b/d	123	840	103320	20/8/20	By sales return	72	240	17280
					22/9/20	By bank a/c	39	830	32370
15/8/20	To sales a/c	77	1320	100870					
					15/10/20	By cash a/c	16	560	8960
31/10/20	To int. a/c		97.73		31/10/20	By bal. of product.			145580
	(145580 x 12% x 1/366)					By bal. c/d.		567.73	
			2197.73	204290				2197.73	204290

Q. 22

Mr. Piyush in account current with Mr. Amit  
(Interest upto 31st Dec. 2020, @ 8% p.a)

Date	Particulars	No. of days	Amount	Product	Date	Particulars	No. of days	Amount	Product
19/10/20	To bal. b/d	122	900	109800	20/10/20	By sales return	72	250	18000
15/10/20	To sales a/c	77	1450	111650	22/11/20	By bank A/c	39	1200	46800
31/12/20	To interest ( $147050 \times 8\% \times \frac{1}{366} = 32.4$ )	32			15/12/20	By cash A/c	16	600	9600
					31/12/20	By bal. of products			147,050
					31/12/20	By bal. c/d		332	
			2382	221450				2382	221,450

Q. 3.

Mr. Paul in Account current with Mr. Singh  
(Interest upto 31st August, 2016, @ 10% p.a.)

Date	Particulars	No. of Days	Amount	Product	Date	Particulars	No. of days	Amount	Product
1/6/16	To sales a/c	81	2020	82620	15/6/16	By cash A/c	77	500	38500
20/6/16	To sales A/c	72	650	46800	8/8/16	By cash A/c	23	1100	25300
7/7/16	To sales A/c	55	700	38500	31/8/16	By bal. of product			104120
31/8/16	To interest ( $104120 \times 10\% \times \frac{1}{365}$ )	28.52			31/8/16	By bal. c/d.		798.52	
			2398.52	167920				2398.52	1,67,920

Q. 15

Bali in Account current with Ali

Interest upto 31st Dec. 2020 @ 8% p.a.

Date	Particulars	Due Date	No. of days	Amnt.	Product	Date	Particulars	Due Date	No. of days	Amnt.	Product
1/10/20	To bal. b/d	1/10	92	2000	184000	19/10/20	By purchases	19/10	73	3200	233600
25/10/20	To purchase										
	return a/c	25/10	67	800	53600	15/11/20	By bills receivable a/c	18/11	13	2400	31200
31/10/20	To sales a/c	3/11	58	5400	313200						
30/11/20	To B/R a/c	30/11	31	3000	93000	15/12/20	By cash A/c	15/12	16	2000	32000
31/12/20	To int. a/c			76.05		31/12/20	By balance of product				347000
	( $347000 \times 8\%$ $\times \frac{1}{365}$ )					31/12/20	By balance c/d			3676.05	

Q.4.

A Halden in Account current with S. Dasgupta  
(Interest up to 31st dec. @ 5% p.a.)

Date	Particulars	Due Date	No. of days	Amt	Product	Date	Particulars	Due date	No. of days	Amt	Product
30/6	To bal. b/d.	30/6	185	520	<del>9610</del>	1/8	By cash Alc	1/8	152	500	76000
17/7	To sales alc	17/7	267	40	6680	1/9	By cash Alc	1/9	121	400	48400
19/8	To sales alc	19/8	134	720	9680	1/9	By B/R alc	4/12	27	300	8100
30/8	To sales alc	30/8	123	50	6250	22/10	By purchases	22/10	70	20	2400
32/11	To sales alc	12/11	49	14	686	24/12	By cash alc	24/12	17	50	850
31/12	To interest alc (71446 x 5% x 1/365)			9.78		31/12	By balance of product				71446 70260
						31/12	By bal. c/d			83.78	
				1353.78	206196					1353.78	206196

Q-5

B in account current with A.

(Interest upto 30th June 2016, @ 6% p.a)

Date	Particulars	No of Days	Due date	Amt.	Product	Date	Particulars	No of days	Due Date	Amt.	Product
11/1/2016	To bal. b/d.	282	1/1	600	109200	18/1	By sales	164	28/1	225	20500
11/1/16	To sales a/c	171	11/1	520	88920		return				
29/4/16	To sales a/c	62	29/4	615	38130	11/2	By bank A/c	140	11/2	400	56000
						14/2	By B/R a/c	105	17/3	300	31500
30/6/16	To interest			15.74		15/5	By cash a/c	46	15/5	700	32200
	( $96050 \times 6\%$ $\times \frac{1}{366}$ )					30/6	By bal of product				96050
						30/6	By bal c/d.			22574	
				1750.74	236250					1750.74	236250



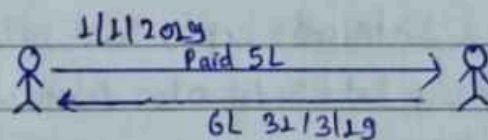


Q10.

Mrs. Smart in account current with Mr. Perfect  
(Interest upto 31st March, 2019 @ 12% p.a.)

Date	Particulars	Due Date	No. of Days	Am't	Product	Date	Particulars	Due Date	No. of days	Am't	Product
12/1/19	To sales a/c	1/2	58	30000	1740000	12/1/19	By bal. b/d.	1/1	90	3500	315000
31/1/19	To sales a/c	15/2	44	27500	2100000	15/2	By cash A/c	15/2	44	40000	1760000
						20/2	By cash a/c	20/2	39	7500	292500
31/3/19	To interest					10/3	By sales return	10/3	20	7000	147000
	396500 x 12%			130.35						7000	-
	x 7/365)					25/3	By cash a/c	25/3	6	6500	39000
31/3/19	To bal. c/d.			6869.95		31/3	By bal. of product				396500
						31/3	By bal. c/d.				
				64500	2959000					64500	2959000

⇒



1/1/19	To cash a/c	500,000	
	To Int. a/c		
	(500000 x 12% x 3/12)	15000	
	To bal. c/d.	85000	31/3/19 By cash a/c 600,000



Q. 11.

H in Account current with G.  
Int @ 10% p.a. as at March 31, 2020

Date	Particulars	Due date	Amt	No. of Product days	Particulars	Due Date	Amt	No. of days	Product
1/10/19	To bal. b/d		3000	182	16/11/19 By purchases	26/11	4000	125	500,000
28/10/19	To sales a/c		2500	164	7/12/19 By purchases	17/12	3500	104	364000
3/1/20	To bills payable	6/1/20	5000		28/3/20 By purchases	8/4/20	2700		
4/2/20	To cash a/c		2000	55	31/3/20 By int product			6	30000
21/3/20	To sales A/c		4300	10	(5000 x 6)				
31/3/20	To int product			8	31/3/20 By int product				181,600
	(2700 x 8)								
31/3/20	To interest		49.75		31/3/20 By bal. c/d		5649.75		
	(181600 x 10% x 1/365)								
			15849.75				15849.75		1075600
				1075600					

No. \_\_\_\_\_

Date: / /

Q 24

Yog in account current with Me  
(Interest @ 12% p.a. upto 31st March)

Date	Particulars	Due date	Amnt	No. of days	Product	Date	Particulars	Due date	Amnt.	No. of days	Product
1/2/20	To bal b/d	1/2/20	5000	60	300,000	8/2/20	By bills				
5/2/20	To sales a/c	7/4/20	8250	-	-		By receivable	11/5/20	10000	-	-
16/2/20	To cash a/c	16/2/20	2500	44	110,000	10/3/20	By purchase	10/3/20	11000	21	231,000
24/2/20	To bills payable	24/3/20	5000	7	35,000	12/2/20	By bank a/c	17/4/20	7500	-	-
						28/2/20	By cash a/c	28/2/20	2500	32	80,000
31/3/20	To Red intk pre-credit (10000 × 42)			41	410,000	31/3/20	By Red intk product (8250 × 7)			7	57,750
31/3/20	To Red intk product (7500 × 12)			12	90,000	31/3/20	By bal. of product				576,250
31/3/20	To Interest (576250 × 12% × 1/365)		188.93								
31/3/20	To bal. c/d		31,000								
			31,000		345,000				31,000		345,000

Q.2

Mr. Y in account current with Mr. X.  
(Interest upto 31st Dec. 2016 @ 18% p.a)

(1) Forward method

Date	Particulars	Due date	Amt	No. of days	Prod. Date	Particulars	Due date	Amt	No. of days	Product
1/7/16	To bal. b/d	1/7	600	184	11/6/16	By purchases	1/9/16	200	121	24200
30/7/16	To sales a/c	30/8	300	123	19/16	By cash a/c	1/9/16	100	121	12100
						1/9/16 By Bills receivable a/c	4/12/16	400	27	10800
31/12/16	To interest ( $100200 \times 18\% \times \frac{1}{365}$ )		49.41	49	31/12	By balance of product				100200
					31/12	By bal. c/d		249.41		
			949.41	147300				949.41		147300

(2) Backward method

Date	Particulars	Due Date	Amt	No. of days	Product Date	Particulars	Due date	Amt	No. of days	Product
1/7/16	To bal. b/d	1/7/16	600	0	0					
						1/8/16 By purchases	1/9/16	200	63	12600
30/7/16	To sales a/c	30/8/16	300	61	18300					
						1/9/16 By cash a/c	1/9/16	100	63	6300
31/12/16	To bal. of prod.				100200					
						1/9/16 By B/R a/c	4/12/16	400	157	62800
31/12/16	To interest a/c ( $100200 \times 18\% \times \frac{1}{365}$ )		49.41							
						31/12/16 By bal. of prod. ( $200 \times 184$ )			184	36800
			949.41	118500				249.41		
						31/12/16 By Bal. c/d		949.41		118500

Q.7.

In the books of Allahabad bank  
 Vinod in account current with Allahabad bank  
 (30/6/16)

Date.	Particulars	Deposit Cr.	Withdrawal Dr.	Bal. Dr./Cr.	Aml.	Days	Product	
							Debit	Credit
2/1/16	By cash a/c	30000	-	Cr.	30000	13	-	390,000
15/2/16	By cash a/c	12000	-	Cr.	42000	31 (26+15)	-	1302000
15/2/16	To cash a/c (self)	-	26000	Cr.	16000	26 (24+22)	-	416,000
12/3/16	By cash a/c	8000	-	Cr.	24000	29 (19+10)	-	696000
10/4/16	To cash a/c (self)	-	30,000	Dr.	6000	30 (20+10)	180,000	-
10/5/16	By cash a/c	26000	-	Cr.	10000	36 (21+15)	-	360,000
15/6/16	To cash a/c (self)	-	24000	Dr.	4000	15	60,000	-
30/6/16	By Int	240	-	Dr.	3860	(Bal. c/d)	240,000	3164000

Int allowed by bank  $(3164000 \times 21 \cdot x^2/366) = 172.89$

Int. charged by bank  $(240000 \times 51 \cdot x^2/366) = \underline{32.79}$   
 140.1